

Fiscal Services Division Legislative Services Agency Fiscal Note

HF 2109 - Nursing Home Personal Needs Allowance (LSB 5689 HH)
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Fiscal Note Version — New
Requested by Representative Dave Heaton

Description

House File 2109 requires the Director of the Department of Human Services to adopt rules to increase the personal needs allowance for a Medical Assistance (Medicaid) Program recipient residing in a nursing facility from \$30 per month to \$75 per month.

Assumptions

1. The Bill increases the personal needs allowance for Medicaid recipients in a nursing facility by \$45 per person per month.
2. There are approximately 500 nursing facility residents who have no other source of income. The increase in the personal needs allowance for these individuals would require 100.0% State funding.
3. The cost to increase the personal needs allowance by \$45 per person per month for the 100.0% State funded population is \$270,000 from the General Fund in FY 2005.
4. There are approximately 14,000 Medicaid recipients in nursing facilities who do have income above the current \$30 allowance and would be able to keep an additional \$45 per month pursuant to the Bill.
5. The State match rate is 39.02% for Federal Fiscal Year (FFY) 2004 and 36.36% for FFY 2005.
6. The cost to increase the personal needs allowance by \$45 per person per month for the State/federally funded population is \$2.8 million from the General Fund in FY 2005.

Fiscal Impact

The total cost of HF 2109 is estimated to be \$7.8 million in FY 2005 and FY 2006. The State share of the total cost is approximately \$3.0 million in FY 2005 and FY 2006.

Sources

Department of Human Services
Legislative Services Agency

Dennis C Prouty

February 19, 2004

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
